

MILWAUKEE MUTUAL INSURANCE COMPANY
250 North Sunnyslope Road, Suite 250
Brookfield, Wisconsin 53005

_____, 2003

To Our Policyholders:

This packet contains information about a proposed reorganization of the legal structure of Milwaukee Mutual Insurance Company (“MMIC”). Specifically, MMIC is proposing to reorganize into what is known as a mutual holding company structure (the “Restructuring”). The proposed Restructuring is set forth in an Amended and Restated Mutual Holding Company Plan (the “Plan”), which was unanimously adopted by MMIC’s Board of Directors on October 18, 2002. The Plan will also be the subject of a public hearing conducted by the Office of the Commissioner of Insurance for the State of Wisconsin (the “Wisconsin Commissioner” or “Commissioner”) on _____, 2003. While the Plan must be approved by the Wisconsin Commissioner (among others) before the Restructuring can take place, such approval by the Commissioner is neither an endorsement of the Plan nor a recommendation to vote in favor of the Plan.

The Board believes the Plan is fair and equitable to you, the policyholders, and the Board expects that the Plan will benefit policyholders and will not be contrary to your interests or the interests of the Wisconsin public. The Board believes that, in the future, the most successful insurance companies will be those that have the structural, financial and strategic flexibility to respond quickly and decisively to changes in the marketplace, both in terms of pursuing (or defending against) potential acquisition activity and in terms of making changes or improvements in existing operations. In its current structure as a mutual insurance company, MMIC has limited options to respond to change in the marketplace and to grow or solidify its business operations through acquisition activity and/or the investment of excess surplus. Reorganizing to a mutual holding company structure maximizes MMIC’s ability to raise capital, pursue business acquisitions, and invest in the technologies and personnel necessary to improve the efficiency and competitiveness of its insurance operations. It does this without altering the contract rights or services you are entitled to as a policyholder under your policies with MMIC, including the premiums you pay and the benefits you receive. The Plan also maintains the Company’s “mutuality” so as to preserve our customary focus upon the needs of our current and future policyholders.

Before the Restructuring can take place, (i) the Plan must be approved by a majority of the “Eligible Members” of MMIC (as that term is defined in the enclosed Policyholder Information Statement) entitled to vote on the same and present (in person or by valid proxy) at a Special Meeting called for that purpose (the “Special Meeting”), and (ii) the Amended and Restated Articles for the converted stock insurance company created as a result of the Restructuring (the “Amended and Restated Articles”) must be approved by a two-thirds majority of Eligible Members entitled to vote on the same and present (in person or by valid proxy) at the Special Meeting. MMIC has scheduled a Special Meeting to take place at ____:____.m., Central Time, on _____, 2003 at

the law offices of Foley & Lardner, 777 East Wisconsin Avenue, 40th Floor, Milwaukee, Wisconsin. To assist you in deciding and voting on whether to approve the Plan and the Amended and Restated Articles, I enclose the following materials:

- A letter to Policyholders regarding the proposed Restructuring from the Commissioner of Insurance for the State of Wisconsin;
- A Notice of a Special Meeting of Policyholders to be held on _____, 2003 for the purpose of considering and voting on the Plan and the Amended and Restated Articles;
- A Policyholder Information Statement, including a Summary at pages 3 through 16, which describes the Plan and the proposed Restructuring;
- Attachments to the Policyholder Information Statement, including a copy of the Plan as it was approved by the Board on October 18, 2002, and the exhibits thereto, which exhibits include a copy of the proposed Amended and Restated Articles;
- A proxy card for your votes on the Plan and the Amended and Restated Articles, which we ask that you sign and return.

I encourage you to read this information carefully. It fully describes the reasons why MMIC's Board of Directors and management have concluded that a mutual holding company structure would best serve the long-term interests of the company and its policyholders.

You are cordially invited to attend the Special Meeting to vote on the Plan and the Amended and Restated Articles at that time. If you cannot or prefer not to attend, I encourage you to complete, sign and return your proxy card in the enclosed postage-paid envelope as soon as possible. Proxy cards must be received before or at the time of the Special Meeting in order to be counted as part of the votes at the Special Meeting.

On behalf of the Board of Directors and the management of MMIC, I urge you to support the proposed Restructuring and to vote FOR the Plan and FOR the Amended and Restated Articles.

If you need assistance with your proxy vote, or if you have any questions about the Plan or the Amended and Restated Articles, please call us at 262-938-0046, Monday through Friday, from 9:00 a.m. to 4:00 p.m. Central Time.

We always appreciate and respect the confidence and trust you have placed in MMIC, and we look forward to continue serving your insurance needs.

Sincerely,

Daniel R. Doucette,
President and Chief Executive Officer